Stakeholder Messages to Ministers
5th Carbon Sequestration Leadership Forum Ministerial
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As Delivered by Barry Worthington, Executive Director – United States Energy Association

Good morning Mr. Ministers, Secretary Moniz and Heads of Delegations. I am Barry Worthington, Executive Director of the United States Energy Association. USEA is not an advocacy or lobbying group, but rather an educational, non-profit organization and we serve as the U.S. Member of the World Energy Council.

We were asked to organize the CSLF stakeholder participation in this, the 5th CSLF Ministerial Meeting. This is a role that we have served before. We have had a deliberative stakeholder consultation process that has touched each continent and included corporations, business associations, environmental NGO’s, regulatory officials and other CSLF stakeholders. Our stakeholder sessions this week, focused on:

- Finance – Understanding final investment decision;
- Regulation;
- Communication;

Our messages to ministers today represents a legitimate selection of CSLF stakeholder views. And we have succeeded in bringing into this conversation, points of view that have not been involved in CSLF discussions before.

Let me begin my substantive remarks by suggesting that those points of view that suggest that CCS is not necessarily are dreaming about a future that is unattainable.

If carbon capture and storage is not fully deployed, it will be impossible to reach climate goals by 2050. The myth of not using fossil fuels in 2050 and beyond is just that – a myth! World Energy Council scenarios suggest that fossil fuels will provide at least 59% of world energy requirements in 2050 – this is the Symphony Scenario – the best case for non-fossil utilization – and the WEC scenarios indicate as much as 79% of global energy requirements being met by fossil fuels in 2050 in the “Jazz” scenario.

So how does the world achieve a 50% reduction in CO2 Emissions by 2050 and an 80% reduction in developed countries if fossil fuels will still dominate?

And how do you pull 1 ½ billion people out of energy poverty before 2050?

And how do you deal with the other 1 ½ billion people who do not have affordable, reliable and available access to energy?
You know the answer! Continued reliance on all forms of energy -- all of the fossil fuels, all of the renewables, all of the strategies for energy efficiency and energy conservation. All other sources, whether it be nuclear fusion -- fission -- small modulator reactors. We will need it all. And we need it to be affordable, reliable, sustainable and to contribute to energy security and job creation.

Carbon capture and storage meets all of these attributes.

Ten years ago, we also organized the stakeholder participation in the first CSLF Ministerial meeting. We went from a period of high optimism to the point of less interest given the global recession. The financial crisis not only interfered with government budgets not being able to support CCS, but also corporate budgets not having funds available for high risk investments.

But since you met in Beijing two years ago, we have seen progress. You and other policymakers see that CCS can contribute to jobs, more jobs and protecting jobs. And not just jobs in extractive industries and in coal-fired power plants, but the multitude of jobs that are related to fossil fuel development as a cornerstone of economic and social progress.

Each of you is interested in preserving existing jobs and creating new jobs. CCS offers you the opportunity to be that advocate for job preservation and job creation in your own country. And this is by you keeping energy supplies affordable, available, and reliable. CCS not only contributes to energy affordability while meeting our climate goals, but also CCS contributes to energy security, system resiliency and operability.

Now quickly to some specific recommendations. CSLF stakeholders suggests that governments should:

- Assist the private sector in driving down the costs of carbon capture. Cost is the key.

- Focus on removing barriers to projects reaching “final investment decisions,” specifically how to improve costing methodologies and how to develop multiple revenue streams.

- Consider fiscal/operational mechanisms to support CCS deployment – long term a global carbon price is likely – but for short-term demonstration and deployment – strategies that have been used for other technologies such as feed in tariffs; production tax credits and guaranteed dispatch in competitive power markets is essential. In some power markets, renewables are assured to be dispatched regardless of when they are available.

- Policymakers should consider if CCS competes with other low carbon/no carbon technologies on a level playing field. Options will vary by country.

- Governments can also consider removing barriers to CCS such legal liability for long-term storage.

Individual Ministers should be champions for CCS, both domestically and internationally. Please urge investments in both domestic and international collaboration. Become leadership advocates for CCS.

Visualize yourself – not as energy ministers today but in 2050 – maybe the minister then is your son or daughter, or grandson or granddaughter. If carbon capture and storage is not available, the then energy minister in 2050 will deal with high energy prices, higher global temperatures with all the uncertain
impacts of climate change, high unemployment, energy insecurity, a fragile and unreliable energy delivery system and a legacy of failed leadership. Not a happy scenario, but completely avoidable by focusing on promoting CCS.

The CSLF should consider its role relative to the importance of communication, and regulation. Some entity needs to consider how to coordinate communication, share regulatory best practices and the CSLF specifically needs to consider how to expand outreach to other potential stakeholders.

The CSLF stakeholders also gave assignments to themselves.

1. We commit to continued engagement with CSLF knowing that after a phase of government demonstration projects, we, the private sector, will be providing the capital for ongoing CCS projects, we need to get the legal, regulatory and community acceptance process right.

2. We, the CLF stakeholders commit to continued involvement in CSLF to share experiences, share best practices, and to share non-propriety knowledge.

3. We commit to open and transparent communication with governments, regulatory authorities, the media, international organizations, NGO’s and the public about issues affecting CCS deployment and to engage in public private partnerships.

Thank you Ministers, Heads of Delegations, and particularly Secretary Moniz and Assistant Secretary Smith for allowing and encouraging stakeholder engagement and our ability as stakeholders to address this ministerial meeting. Thank you ladies and gentlemen.